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Report to the Chairman, Subcommittee
on National Security, Committee on
Appropriations, House of
Representatives

September 1996

DEFENSE BUDGET

Trends in Reserve Components' Military Personnel Compensation Accounts for 1990-97



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National Security and
International Affairs Division

B-274130

September 19, 1996

The Honorable C.W. Bill Young
Chairman, Subcommittee on National Security
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The Department of Defense's (DOD) budget request for fiscal year 1997 includes almost \$70 billion for pay and allowances for active and reserve military personnel, which represents about 30 percent of DOD's total budget request. DOD estimates that in 2001, pay and allowances will continue to represent about 30 percent of the total budget. Because the military personnel accounts represent such a large share of DOD's budget, we reviewed them to determine (1) the various pay categories included in the accounts, (2) the trends of those pay categories, and (3) how changes in the budget compared with changes in service force levels.¹ We also inquired into the reasons for some of the service trends and differences among the services and have included the explanations when available.

Our analyses and discussions in this report focus primarily on pay and allowances for the reserve components, which for fiscal year 1997 comprise over \$9 billion of the \$70 billion requested. We reported separately on the active components because the budget categories for the active are considerably different from the reserve components.²

Our review was performed under our basic legislative responsibilities. Because of your expressed interest in the military personnel accounts, we are addressing the report to you.

Background

Military pay and allowances for active and reserve personnel are funded through the military personnel accounts. Military personnel is one of six major account groups for DOD.³ It is the second largest of DOD's account

¹Our analysis used actual obligations for fiscal years 1990 to 1995 and budget estimates for fiscal years 1996 to 1997.

²Defense Budget: Trends in Active Military Personnel Compensation Accounts for 1990-97 (GAO/NSIAD-96-183, July 9, 1996).

³The other major account groups are operation and maintenance; procurement; research, development, test, and evaluation; military construction; and family housing.

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groups after operation and maintenance and is expected to remain second through 2001.

The major budget categories for reserve component military personnel accounts are unit and individual training; administration and support; other training and support, including mobilization training, school training, special training, Army branch officer's basic course, health professions scholarship program, Junior Reserve Officers' Training Corps (ROTC), and Army chaplain candidate program; education benefits; and Senior ROTC.⁴ These categories are listed in detail in appendix I.

The reserve components of the Army and the Air Force include both the National Guard and the reserves. These components account for about 85 percent of the total reserve personnel. The Navy, the Marine Corps, and the Coast Guard have only reserves. Because the Coast Guard Reserve is a small force—about 8,000 personnel in 1996—and is under the Department of Transportation, it was not included in our analyses. The change in personnel levels for each of the reserve components between fiscal years 1990 and 1997 is shown in table 1.⁵

Table 1: Personnel Levels for DOD's Reserve Components

Reserve component	1990	1997	Difference
Army National Guard	436,964	366,758	(70,206)
Air National Guard	116,968	108,018	(8,950)
Total guard	553,932	474,776	(79,156)
Army Reserve	299,145	214,970	(84,175)
Air Force Reserve	80,602	73,281	(7,321)
Naval Reserve	149,352	95,941	(53,411)
Marine Corps Reserve	44,530	42,000	(2,530)
Total reserve	573,629	426,192	(147,437)
Total guard and reserve	1,127,561	900,968	(226,593)

Note: Personnel levels are for the selected reserve. Fiscal year 1990 end strength excludes personnel serving on active duty in support of Operation Desert Shield.

Source: Services' budget estimates.

⁴These categories represent direct costs. Total military personnel obligations also include reimbursable costs to the services, such as personnel support provided to depot maintenance activities under the Defense Business Operations Fund. Reimbursable costs represent under 1 percent of the military personnel accounts.

⁵Personnel levels are as of the end of the fiscal year, or end strength.

The distribution of personnel budgets by component for fiscal years 1990 and 1997 is shown in table 2.

Table 2: Personnel Budgets for Guard and Reserve

(Constant 1996 dollars in millions)

Reserve component	1990	1997	Difference
Army National Guard	\$3,992	\$3,156	(\$836)
Air National Guard	1,290	1,273	(17)
Total guard	\$5,282	\$4,428	(\$854)
Army Reserve	2,667	1,989	(678)
Air Force Reserve	803	755	(48)
Naval Reserve	1,901	1,352	(549)
Marine Corps Reserve	381	371	(10)
Total reserve	\$5,752	\$4,467	(\$1,285)
Total guard and reserve	\$11,034	\$8,895	(\$2,139)

Note: Differences in addition and subtraction are due to rounding.

Source: Services' budget estimates.

Results in Brief

Discounting for inflation by using constant 1996 dollars, there has been a relatively close correlation since 1990 between the decline in the reserve components' portion of the military personnel accounts and the reduction in reserve components' personnel. Specifically, the National Guard's military personnel accounts are projected to decline between fiscal years 1990 and 1997 by 16 percent, compared to a 14-percent personnel reduction. During the same period, the reserve's military personnel accounts are projected to decline by 22 percent, or about 3 percent below the rate of decline in the reserve's force level. (See app. II for an overview of the National Guard's military personnel budget and personnel level changes from 1990 through 1997 and app. III for a similar overview of the reserve's budget and personnel.)

About 93 percent of the National Guard's military personnel accounts for fiscal year 1997 consist of two categories: individual and unit training (50 percent) and administration and support (43 percent). These two categories account for about 87 percent of reserve military personnel pay and allowances (49 percent for individual and unit training and 38 percent for administration and support). No other category in either the National Guard's or reserve's personnel budgets comprises over 5 percent of the total. The reserve components' budget categories, in turn, consist of

servicemembers' pay costs, of which the largest element is basic pay. Basic pay represents 60 percent of National Guard budget obligations and 57 percent of reserve budget obligations. Retired pay, basic allowances for quarters, variable housing allowance, and travel comprise an additional 22 to 23 percent of the reserve components' total military personnel costs.

The cost of each servicemember in fiscal year 1997 is projected to increase for all reserve components, except the Army National Guard. Because Army National Guard costs are projected to decline by over \$300 per person between fiscal years 1990 and 1997, total National Guard costs per person are projected to decline from about \$9,300 in fiscal year 1990 to about \$9,200 in fiscal year 1997, despite a projected increase of nearly \$650 per person in Air National Guard costs. Increases in the reserve's costs range from about \$225 per person for the Marine Corps Reserve to about \$1,500 per person for the Naval Reserve. Overall Reserve personnel costs per member are projected to increase from about \$9,700 in fiscal year 1990 to about \$10,300 in fiscal year 1997.

There are marked differences in the reserve components' budgets for several categories. The Naval Reserve's share of the fiscal year 1997 administration and support budget is twice its share of total reserve personnel, while the Air Force Reserve has budgeted a minimal percentage for administration and support in relation to its personnel level. The Air Force Reserve has budgeted more for special training than the other services combined. The Air National Guard's fiscal year 1997 special training budget is three times that of the Army's, even though the Army has over 75 percent of the personnel. The Army National Guard has budgeted a much higher percentage for education benefits than the Air National Guard.

Decrease in Personnel Budget Closely Follows Decrease in Personnel

The reserve components' military personnel budgets, adjusted to 1996 constant dollars, are projected to decrease at about the same rate as personnel level reductions between fiscal years 1990 and 1997. As shown in figure 1, the National Guard's budget is projected to decrease by 17 percent, from \$5.3 billion to \$4.4 billion, while personnel levels are projected to decline by 14 percent, from 554,000 to 475,000. The military personnel budget for the reserve, as shown in figure 2, is projected to decline by 22 percent, from about \$5.8 billion to \$4.5 billion, while personnel levels are projected to decline by 26 percent, from about 574,000 to about 426,000.

Figure 1: Decline of National Guard Personnel Budgets and Personnel Levels Between Fiscal Years 1990 and 1997

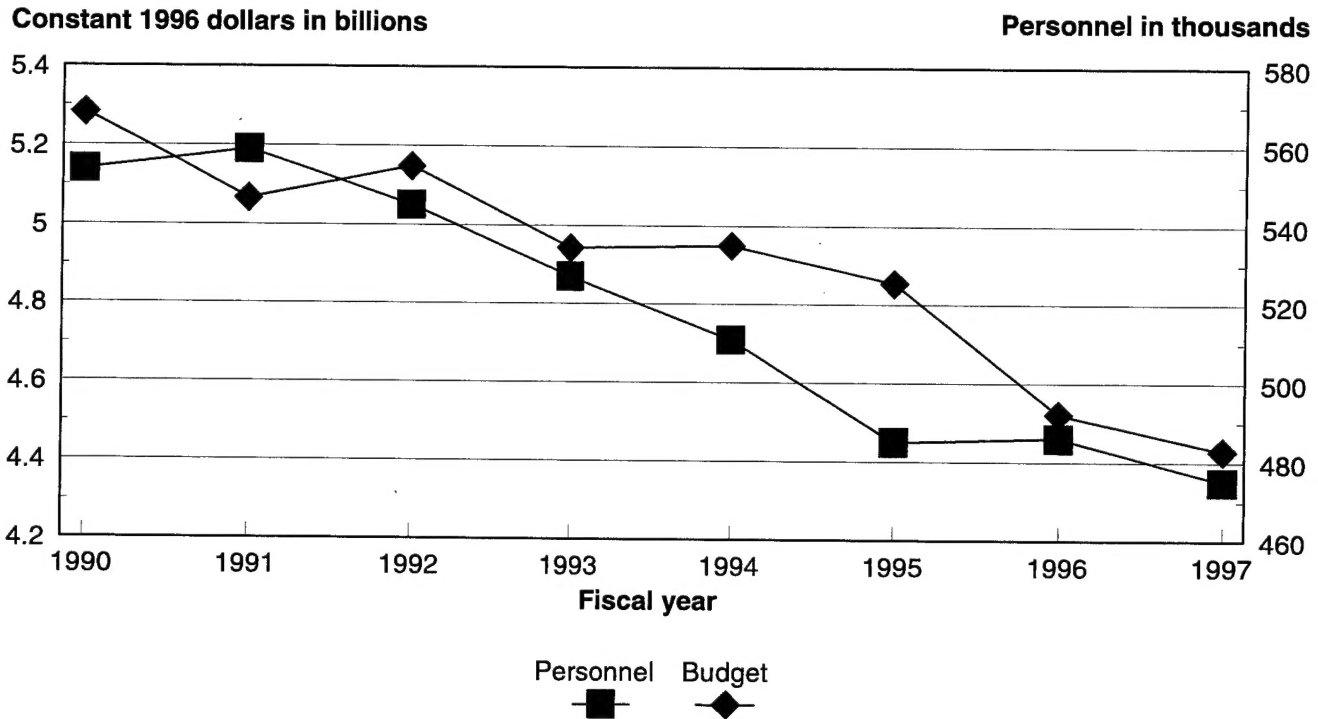
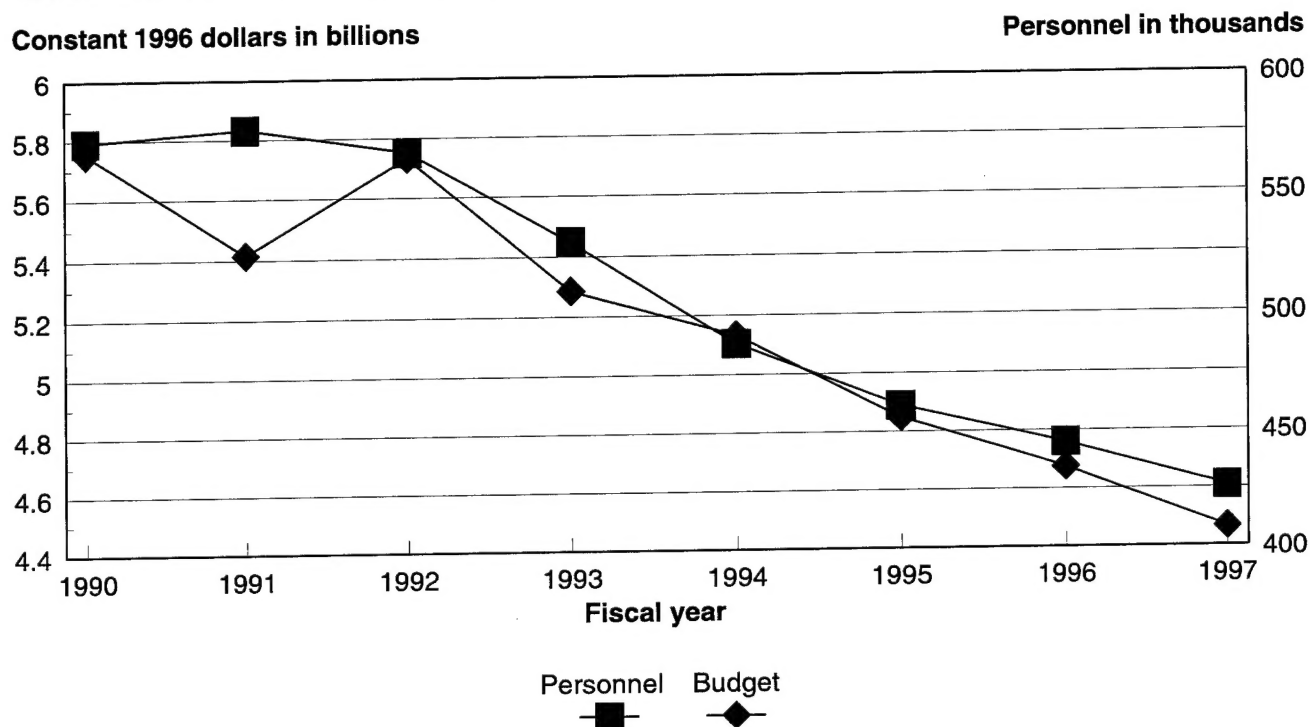


Figure 2: Decline of Reserve Military Personnel Budgets and Personnel Levels Between Fiscal Years 1990 and 1997



The reductions in budget and personnel between fiscal years 1990 and 1997 vary for each reserve component. Figure 3 shows that the Army National Guard's budget is projected to decrease to a greater extent than its personnel, whereas the Air National Guard is projected to have minimal budget reductions but larger personnel reductions. In contrast, as shown in figure 4, the reserve components are projected to have greater personnel decreases than budget decreases. The decreases in the Army and the Naval Reserves' budgets and personnel are projected to be considerably greater than those of the Air Force and the Marine Corps Reserves.

Figure 3: Reductions in National Guard Personnel Budgets and Personnel Levels Between Fiscal Years 1990 and 1997

Percentage reduction

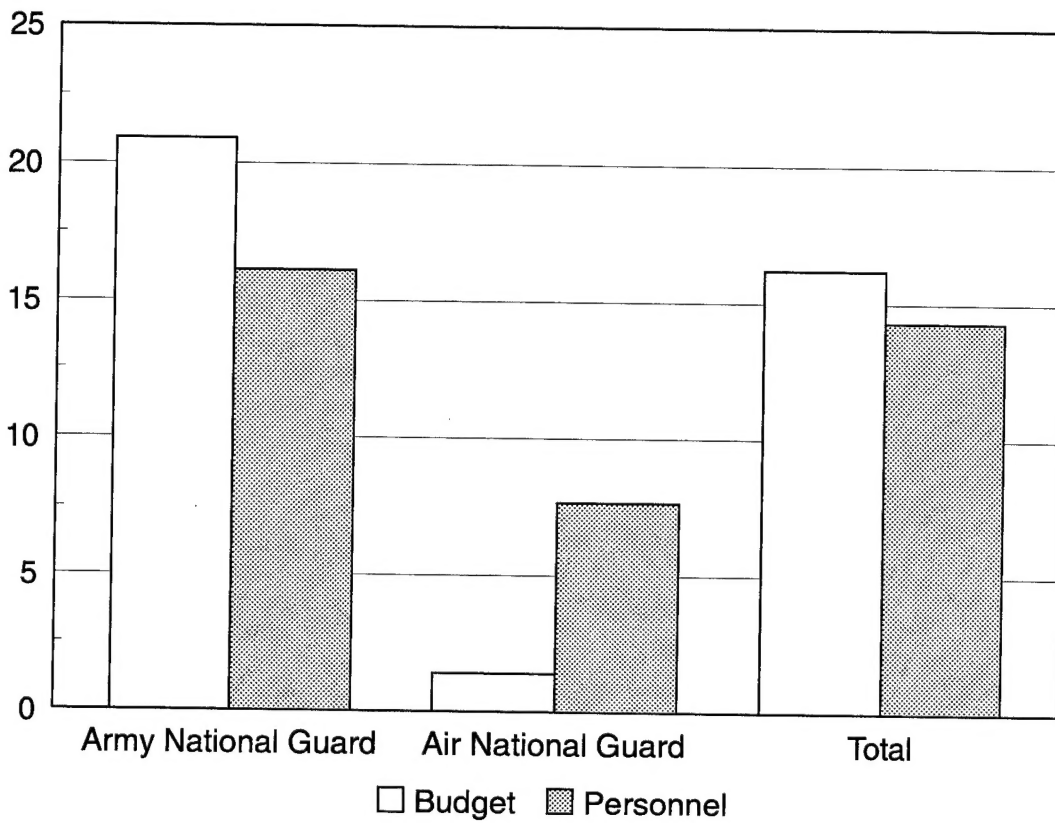
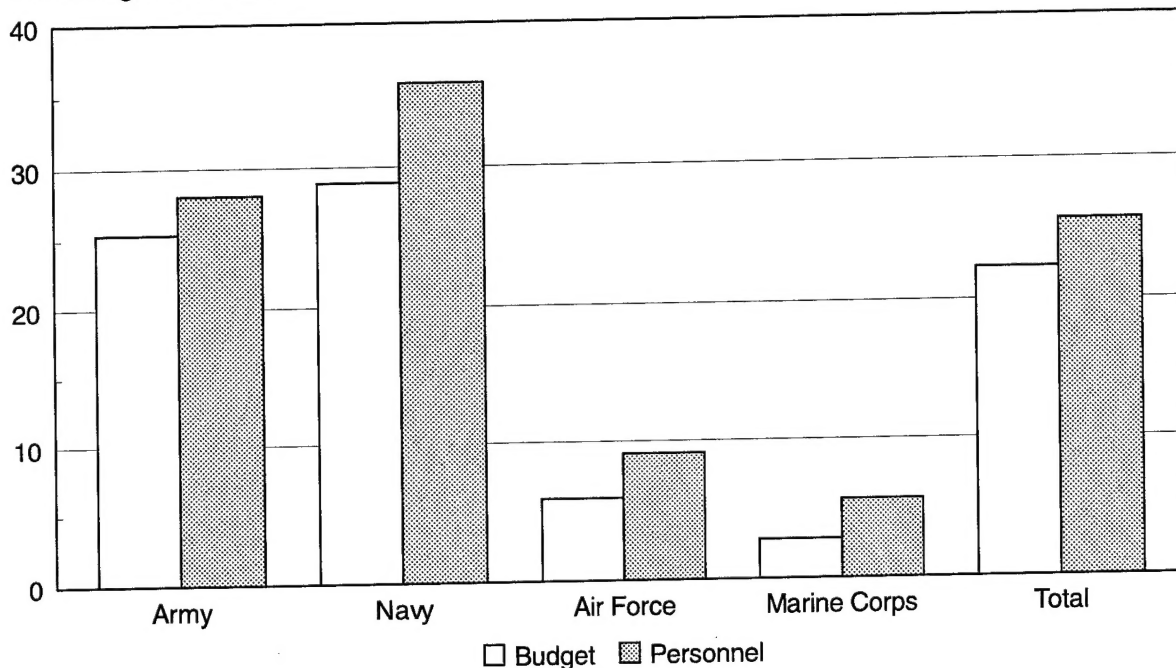


Figure 4: Reductions in Reserve Military Personnel Budgets and Personnel Levels Between Fiscal Years 1990 and 1997

Percentage reduction



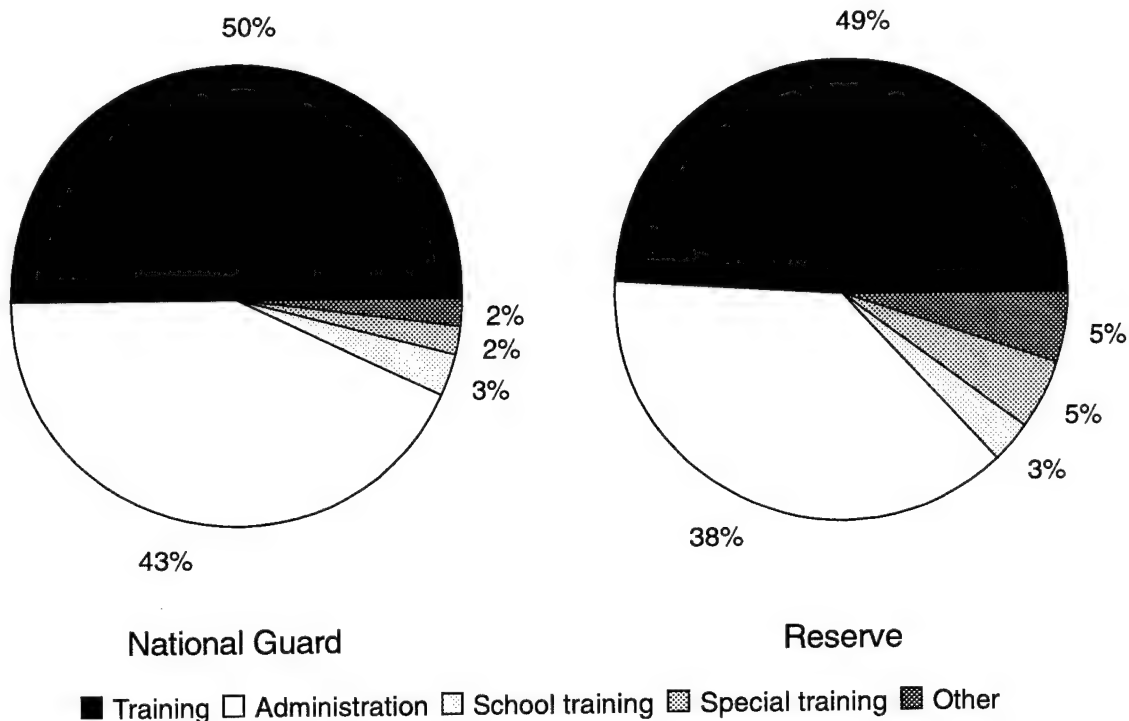
Military Personnel Account Primarily Comprised of Unit and Individual Training and Administration and Support Costs

The vast majority of the reserve components' military personnel budgets are comprised of two categories: unit and individual training and administration and support. Much of these two categories provide for pays and allowances associated with training activities and for personnel assigned to active duty in support of the reserve components.⁶ Pays and allowances are predominantly entitlements. Generally, once servicemembers meet certain criteria such as years of service or military rank, they are entitled to certain benefits.

⁶Reserve personnel serving on active duty for contingencies and peace operations are paid through active component military personnel accounts.

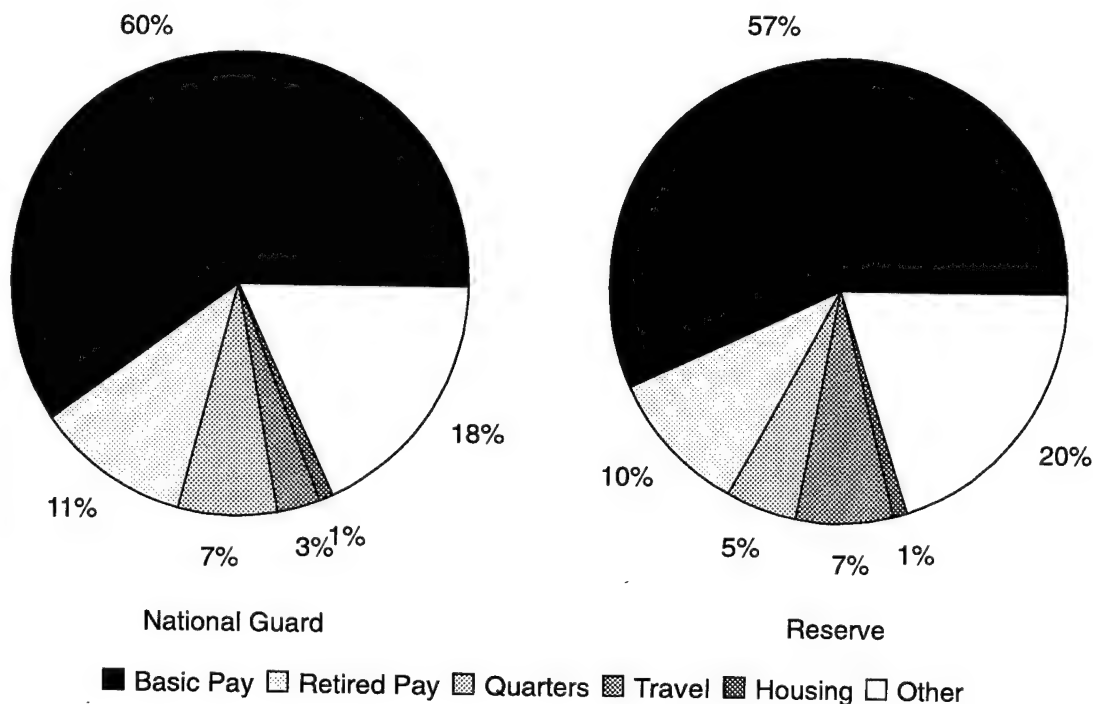
As shown in figure 5, approximately half of the projected military personnel costs for fiscal year 1997 are comprised of unit and individual training, while administration and support absorb most of the remainder of the respective accounts. These two budget categories comprise about 93 percent of the National Guard's military personnel budget and about 87 percent of the reserve's military personnel budget. The proportion of the budget allocated to administration and support costs is projected to increase between fiscal years 1990 and 1997. Administration and support costs were 35 percent of the total personnel budget for the National Guard in fiscal year 1990, compared to 43 percent estimated for fiscal year 1997, and were about 33 percent of the total personnel budget for the reserve in fiscal year 1990, compared to 38 percent estimated for fiscal year 1997. The proportion of the budget allocated to unit and individual training is projected to decrease by about 3 percent for both the National Guard and the reserve.

Figure 5: Allocation of Fiscal Year 1997 Military Personnel Budget for National Guard and Reserve



Viewed differently, basic pay and four other entitlements—which are incorporated within the National Guard's and the reserve's budget categories—are projected to comprise about 80 percent of the reserve components' fiscal year 1997 military personnel budgets. Basic pay alone comprises 60 percent of the National Guard budget and 57 percent of the reserve's budget. (See fig. 6.)

Figure 6: Percentage of Fiscal Year 1997 Reserve and National Guard Budgets Related to Basic Pay, Retired Pay Accrual, Basic Allowances for Quarters, Travel, and Other



Note: The other category includes clothing, subsistence, separation benefits, reserve incentives, disability and hospitalization, education benefits, reserve officer training corps summer camp, other training and support costs, and reimbursable costs.

Per Person Costs for Most Components Are Projected to Increase

Despite an overall decline in the reserve components' military personnel budgets and personnel, per person costs are projected to increase for all components, except the Army National Guard.⁷ As shown in figure 7, the total National Guard budget and per person costs are declining (due to the

⁷For per person calculations, we used the average yearly strength reported by the services in their budget submissions (fiscal year 1990 personnel levels exclude reserve personnel who served on active duty in support of Operation Desert Shield). The proportion of full-time reservists included in the average strength varies by service, thereby affecting per person costs differently.

projected decline in Army National Guard costs). The projected decline in Army National Guard costs per person is shown in figure 8, as well as the upward trend in Air National Guard costs per person.

Figure 7: Trend in National Guard Total and Per Person Budgets

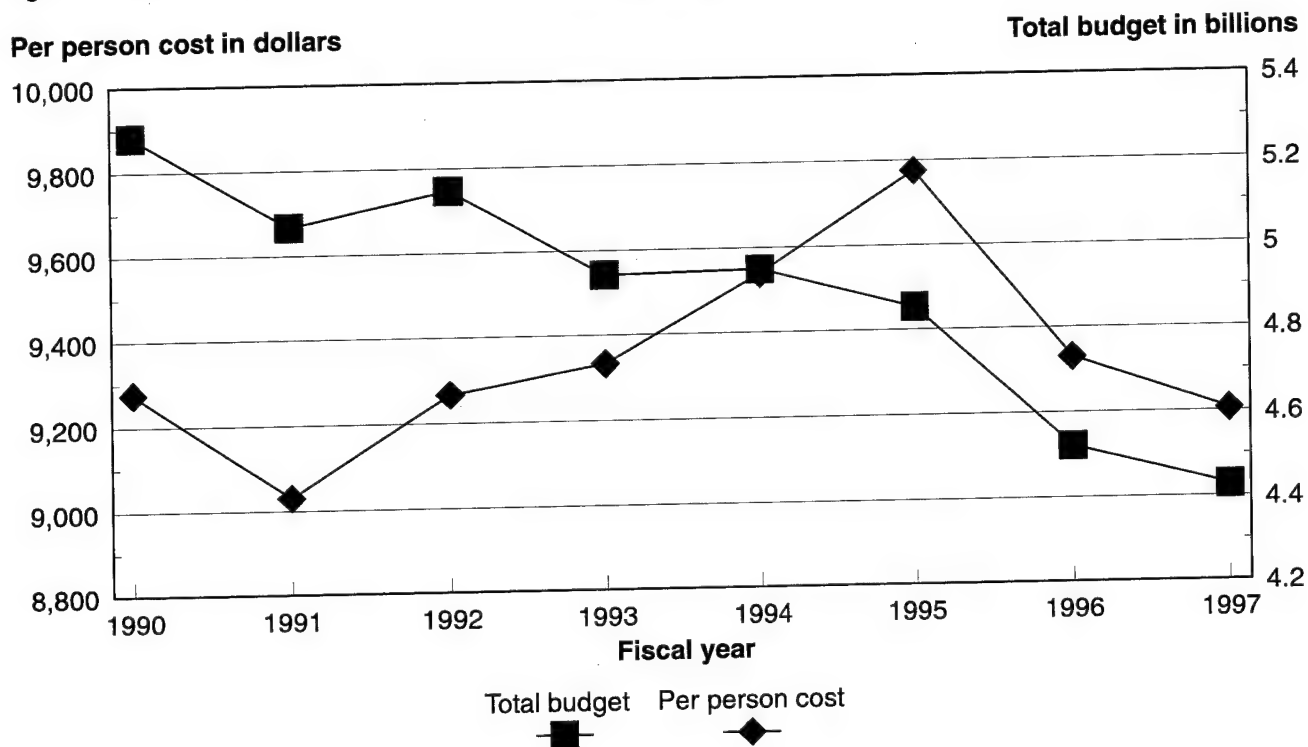
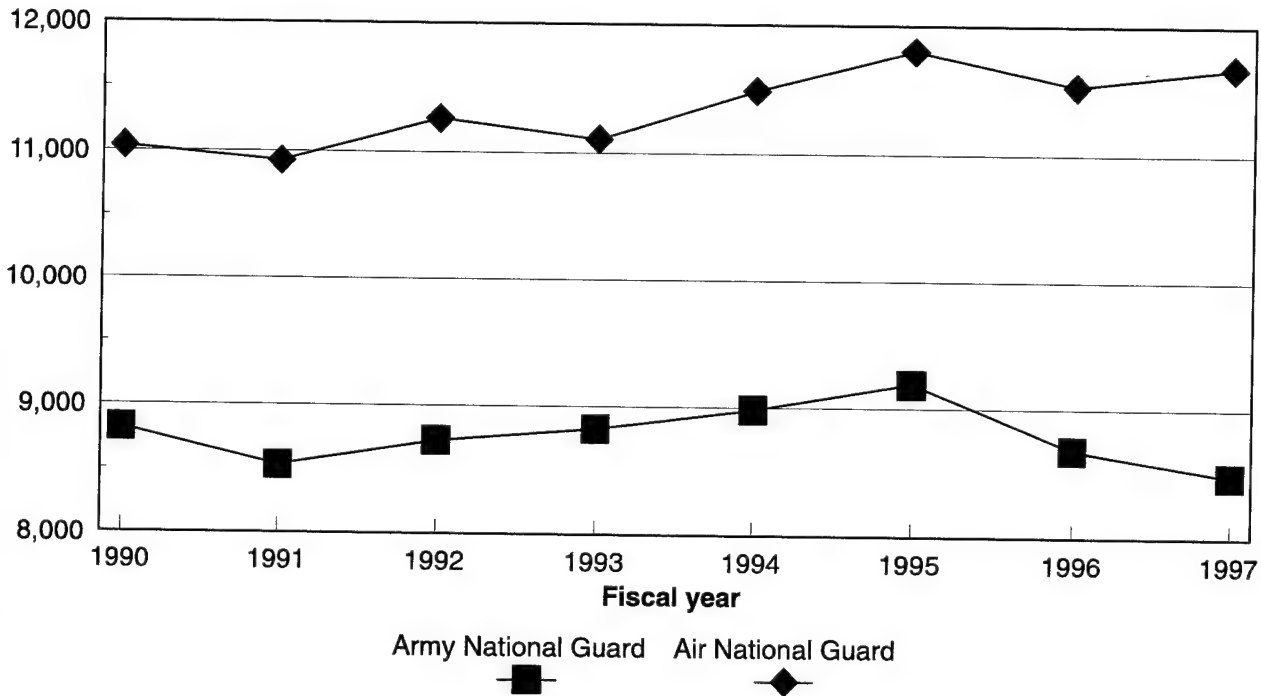


Figure 8: Trend in National Guard Per Person Budget, by Service

Per person cost in dollars



The downward trend in the total reserve budget compared to the increase in total per person costs is shown in figure 9, while the services' generally rising trends in per person costs are shown in figure 10.

Figure 9: Trend in Reserve Total and Per Person Budgets

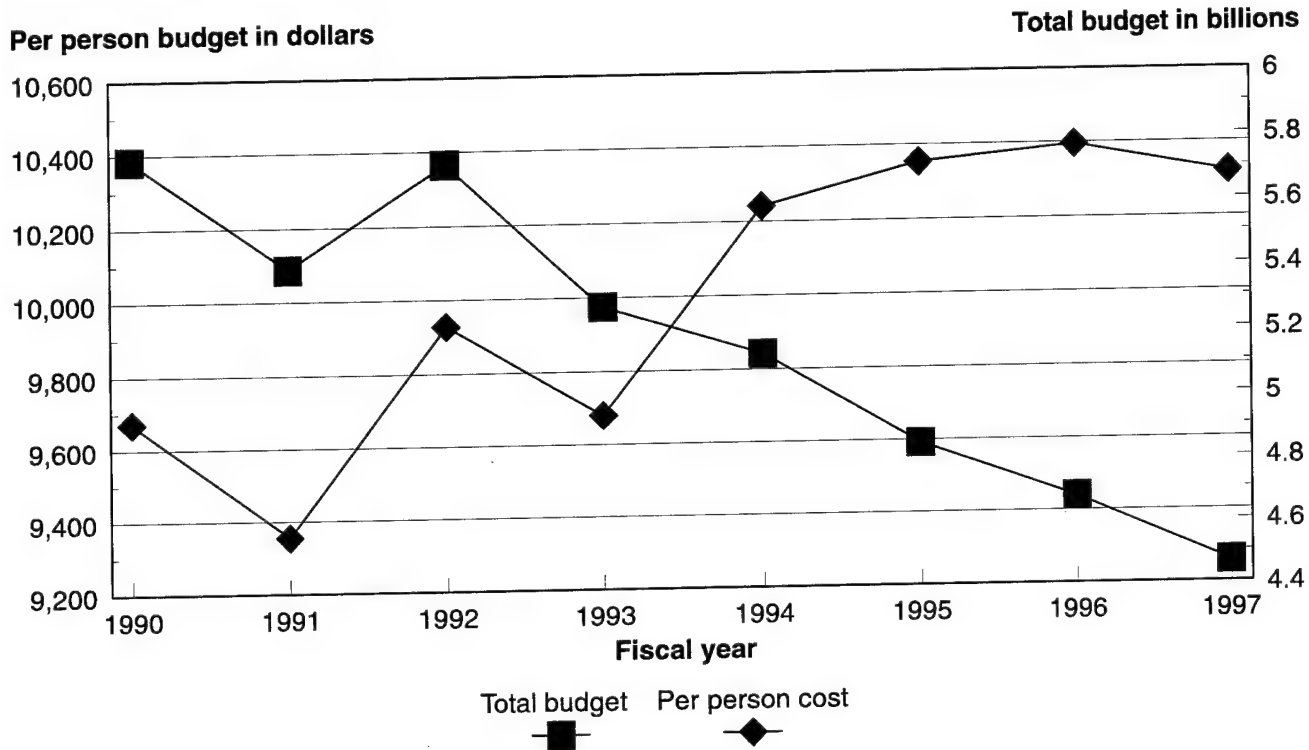
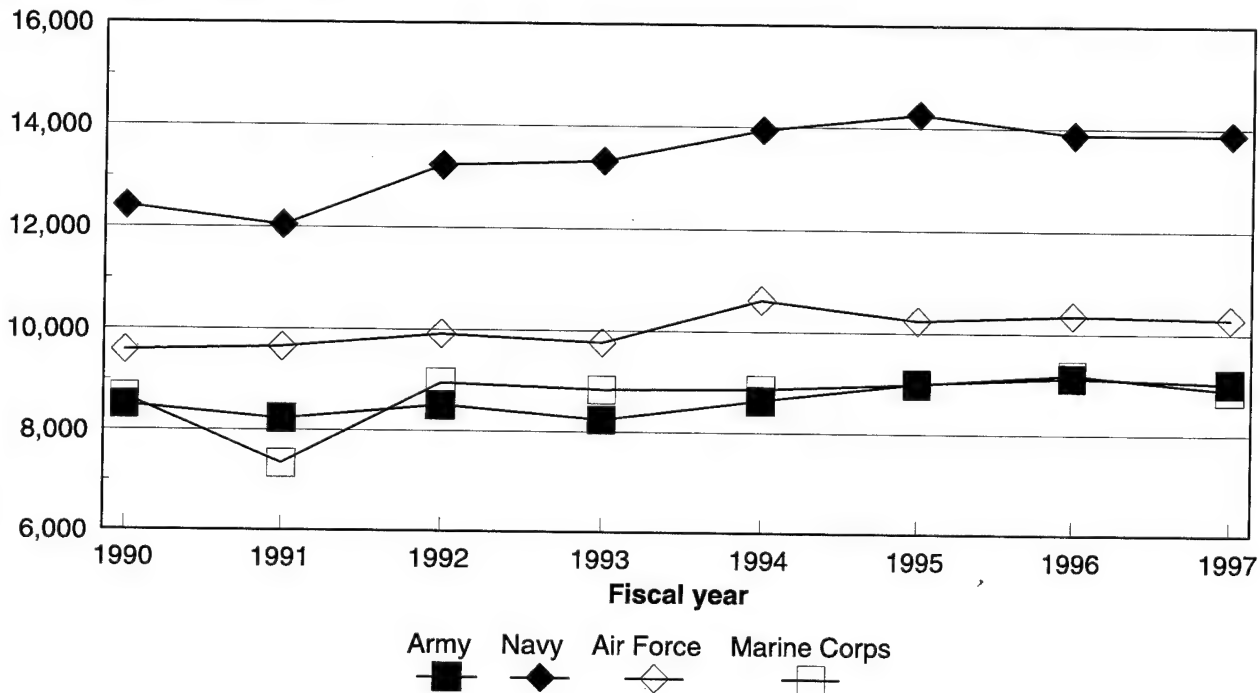


Figure 10: Trend in Reserve Per Person Budget, by Service

Per person cost in dollars



As table 3 shows, the per person costs for the Army National Guard are projected to decrease by \$339 from fiscal years 1990 to 1997, whereas the costs per person for the other components are projected to increase during the same time period. The table also shows that those projected cost increases range from \$224 for the Marine Corps Reserve to \$1,475 for the Naval Reserve. The total projected increase for the National Guard and the reserve is \$256 per person, or about 2 percent.

Table 3: Per Person Costs by Component

Reserve component	1990	1997	Difference
Army National Guard	\$8,822	\$8,483	(\$339)
Air National Guard	11,035	11,675	640
Total guard	\$9,276	\$9,206	(\$70)
Army Reserve	8,499	9,030	530
Air Force Reserve	9,578	10,285	707
Naval Reserve	12,409	13,884	1,475
Marine Corps Reserve	8,664	8,887	224
Total reserve	\$9,671	\$10,321	\$651
Total guard and reserve	\$9,478	\$9,734	\$256

Note: Rows may not subtract due to rounding.

Source: Our analysis based on services' budget estimates.

Administration and Support Category Accounts for Most of the Per Person Increase

The administration and support budget category is projected to receive the largest dollar increase for all components from fiscal years 1990 to 1997. A comparison of the per person costs by National Guard component and major budget category for fiscal years 1990 and 1997 is shown in table 4.

Table 4: Per Person National Guard Personnel Costs by Service and Budget Category

Budget category	Fiscal year	Army	Air Force
Unit/individual training	1990	\$4,706	\$5,592
	1997	4,448	5,228
Administration and support	1990	3,134	3,784
	1997	3,736	4,876
Education benefits	1990	75	121
	1997	106	35
School training	1990	498	695
	1997	126	727
Special training	1990	393	815
	1997	51	582
Reimbursable costs	1990	15	28
	1997	15	228
Total obligations	1990	\$8,822	\$11,035
	1997	\$8,483	\$11,675

Note: Totals may not add due to rounding.

Source: Our analysis based on services' budget estimates.

The table shows the following for each category.

- **Unit/individual training.** The Air Force's costs per person are about 18 percent greater than the Army's costs in fiscal years 1990 and 1997. Both the Army's and the Air Force's costs are projected to decline by about 5 percent from fiscal years 1990 to 1997. Air Force budget officials explained that Air Force training requirements are intensive; for example, aircrew members perform 48 additional flying training periods each year for proficiency.
- **Administration and support.** The Air Force's costs per person are about 21 percent greater than the Army's costs in fiscal year 1990 and are projected to increase to about 31 percent greater than the Army's in fiscal year 1997. Costs for both services are projected to increase from fiscal years 1990 to 1997: the Army's by 19 percent and the Air Force's by 29 percent. Army budget officials stated that the Army's projected cost increase is due to increases in the student loan program, retention bonuses, and the initiation of the transition benefit program.⁸ Air Force budget officials stated that pay and allowances for members on active duty

⁸Full-time support personnel are authorized to receive the same transition enhancements and initiatives as active personnel. These benefits include special separation benefit, voluntary separation incentive, temporary early retirement authority, reserve involuntary separation pay, and reserve special separation pay.

comprise the major portion of this category and that these members are projected to increase from about 8,640 in fiscal year 1990 to 10,130 in fiscal year 1997. Also, the increase is partially due to incentive pays for aircrew members.

- Education benefits. The Army's costs per person are projected to increase by 41 percent, whereas the Air Force's costs are projected to decrease by 71 percent from fiscal years 1990 to 1997. Army budget officials stated that the DOD Board of Actuaries determines the rate per eligible soldier and that the actuarial rate and the amortization amount have increased substantially since fiscal year 1994. The amortization payment rose from zero to \$6.2 million. Air Force budget officials stated that the fiscal year 1997 budget for education benefits is understated by about \$6 million and, therefore, the per person decrease is in error.
- School training. The Army's costs per person are projected to decline by 75 percent, whereas the Air Force's costs are projected to increase by 5 percent from fiscal years 1990 to 1997. In 1990, the Air Force's costs were about 40 percent greater than the Army's; however, in 1997, the Air Force's costs are projected to be about 477 percent greater than the Army's. According to Army budget officials, a decrease is projected because this is one of two discretionary categories (the other being special training), and available funds must be applied to statutory requirements such as increases to the GI Bill. Air Force budget officials explained that costs are driven by aircraft and mission changes. For example, the addition of a second bomber unit had a major influence on costs for fiscal year 1997.
- Special training. The Army's costs per person are projected to decline by 87 percent, whereas the Air Force's costs are projected to decline by 29 percent from fiscal years 1990 to 1997. Although the Air Force's costs per person were about twice that of the Army's in 1990, they are projected to be 11 times greater than the Army's costs in 1997. Army budget officials stated that costs are projected to decrease because this category is discretionary and funds were needed to meet statutory requirements.
- Reimbursable costs. The Army's reimbursable costs are projected to remain the same, but the Air Force's costs are projected to increase over 700 percent. Also, in 1990, the Air Force's reimbursable costs were about twice as high as the Army's, but in 1997 they are estimated to be over 14 times higher. According to Air Force budget officials, costs have increased because of a substantially larger role in the training of foreign military pilots in conjunction with foreign military sales programs.
- Total costs. The Army's costs per person are projected to decline by 4 percent, whereas the Air Force's costs are projected to increase by 6 percent from fiscal years 1990 to 1997. Although the Air Force's per

person costs were 25 percent greater than the Army's costs in 1990, they are projected to be 38 percent greater than the Army's in 1997. Air Force budget officials stated that increased costs are due largely to higher numbers of full-time personnel. They further explained that budget differences with the Army occur for a variety of reasons, chiefly because Air Force training requirements are greater and because the Army practices tiered resourcing, whereby units that are designated as first to fight receive higher priority for resources. (Tier I receives 100 percent of resource requirements whereas tier IV receives 40 percent.) Because of mission differences, training, schooling, recurring training, travel, and other budgeted costs also differ. Other variables affect the services' budgets as well, such as officer to enlisted ratios, the full-time/part-time mix, demographics, participation rates, clothing rates, and service initiatives.

Table 5 compares the per person costs by reserve component and major budget category for fiscal years 1990 and 1997. The largest dollar increase is in the administration and support category.

Table 5: Per Person Reserve Personnel Costs by Service and Budget Category

Budget category	Fiscal year	Army	Air Force	Navy	Marine Corps
Unit/individual training	1990	\$4,480	\$6,147	\$5,366	\$5,314
	1997	4,573	6,112	5,162	5,149
Administration and support	1990	2,477	616	6,264	2,230
	1997	3,381	876	7,841	2,758
Education	1990	84	142	69	145
	1997	115	63	71	235
Senior ROTC/Platoon leader	1990	171	221	132	134
	1997	211	274	123	118
Mobilization training	1990	139	26	46	89
	1997	36	42	25	62
School training	1990	404	649	87	218
	1997	296	822	60	144
Special training	1990	394	1,465	311	484
	1997	222	1,649	225	338
Junior ROTC	1990	21	50	25	34
	1997	65	147	101	72
Health professions	1990	65	239	109	N/A ^a
	1997	80	290	220	N/A
Branch officers	1990	237	N/A	N/A	N/A
	1997	23	N/A	N/A	N/A
Chaplains	1990	6	N/A	N/A	N/A
	1997	10	N/A	N/A	N/A
Reimbursable	1990	23	23	1	18
	1997	17	12	56	12
Total obligations	1990	\$8,499	\$9,578	\$12,409	\$8,664
	1997	\$9,030	\$10,285	\$13,884	\$8,887

Note: Totals may not add due to rounding.

^aNot applicable.

Source: Our analysis based on services' budget estimates.

The table shows the following for each category.

- Unit/individual training. The change in the individual services' per person costs is projected to vary by about 5 percent or less from fiscal years 1990 to 1997. The Air Force's 1997 estimated costs are about 34 percent greater

than the Army's estimate and about 18 percent greater than the Navy's and the Marine Corps' estimates. Air Force budget officials stated that costs are affected by (1) the percentage of personnel in different training categories and (2) the officer/enlisted mix and grade structure. Moreover, the Air Force Reserve may have a higher percentage of officers and a higher grade structure, which would result in higher costs.

- Administration/support. Individual service increases are projected to range from 24 percent for the Marine Corps to 42 percent for the Air Force between fiscal years 1990 and 1997. However, the Air Force has the lowest per person costs, and the Navy has the highest. The Navy's cost estimate for fiscal year 1997 is about eight times higher than the Air Force's and is more than twice as high as the Army's. According to Navy budget officials, training administration and support personnel constitute about 15 to 17 percent of the Naval Reserve end strength. The cost increase stems from the aggregate of pay increases for such personnel. Further, differences among the services in the number, type, and funding source of full-time personnel result in the Navy's costs being higher than the other services' costs (along with the Naval Reserve, including a large portion of contributory support travel in this budget category). According to Air Force officials, the projected increase for the Air Force is due in part to increases in reserve incentives, the health professions training program,⁹ and the involuntary separation pay program. They stated that Air Force costs are lower possibly because of fewer full-time personnel or because of differences among the services in categorizing administrative and support costs. Marine Corps budget officials stated that costs are projected to increase due to pay raises and increases in related categories.
- Education benefits. The Air Force projects a 56-percent reduction in education benefits, whereas the other services project increases. The Marine Corps and the Army estimate increases of 62 percent and 37 percent, respectively, but the Marine Corps has budgeted twice as much per person as the Army and over three times as much as the other two services. The Navy has projected a slight increase. Marine Corps budget officials explained that the Marine Corps has a higher rate of servicemembers taking advantage of educational benefits. Because this level of participation was not estimated in earlier years, the DoD Board of Actuaries directed amortization payments to bring the Marine Corps' portion into balance. Air Force officials said the Air Force's decrease is due to lowering the actuaries' rate from \$546 in fiscal year 1990 to \$192 in fiscal year 1997, as well as to fluctuations in enlistments, reenlistments, and extensions. Army budget officials explained that changes in the law

⁹The program provides financial assistance to students undertaking training as physicians or in other medical-related fields.

increased participation rates and allowances and resulted in higher costs. For example, under the Fiscal Year 1996 Defense Authorization Act, the Reserve Component Montgomery GI Bill educational assistance allowance provides up to a 284-percent increase in the monthly allowance for critical skills or specialties.

- Senior ROTC and Marine Corps Platoon Leaders Class. Air Force and Army increases are similar, at 24 and 23 percent, respectively. However, in fiscal year 1997, the Air Force has budgeted about 30 percent more than the Army and over twice as much as the Navy and the Marine Corps. According to Army and Air Force budget officials, costs are projected to rise due to an increase in the monthly stipend rate, from \$100 to \$150. Air Force officials pointed out that the number of students may vary among the services and that the number of Air Force students have decreased. Army officials said that a decrease in summer training sites resulted in increased travel costs.
- Mobilization training. Mobilization training costs have fluctuated since fiscal year 1990. The Army's costs were highest in fiscal year 1990, but they are projected to be second lowest in fiscal year 1997. In fiscal year 1997, the Navy's costs are projected to be the lowest, and all services but the Air Force estimate decreases ranging from the Marine Corp's 29 percent to the Army's 74 percent. The Marine Corps' cost per person for fiscal year 1997 is about 48 percent higher than the Air Force's. Army budget officials explained that budget cuts have led to the tiered resourcing whereby units that are designated as first to fight receive higher priority for resources. Air Force officials said that increases in the health professions training program affected mobilization training costs, as well as administration and support costs, because participants are required to undergo mobilization training. According to Navy officials, the Navy's costs are projected to decrease because of shifting priorities and declining end strength, particularly among individuals in the Ready Reserve and Voluntary Training Units.
- School training. The Air Force had the highest per person costs in fiscal years 1990 and 1997, and it is the only service to project an increase, about 27 percent. The other services estimate reductions between 27 percent and 34 percent. In fiscal year 1990, the Air Force's costs were about 61 percent higher than the next highest, the Army's, and in fiscal year 1997, its costs are projected to be about 178 percent higher than the Army's. The Navy had the lowest costs in both years, about 93 percent lower than the Air Force's costs in fiscal year 1997. Air Force officials cited the need to train personnel in operating and maintaining Air Force weapon systems as a likely reason for costs that are higher than the other services. Also, according to the officials, the Air Force's projected cost increase is due to

an increase in officer training days and a decrease in enlisted training days. Specifically, there were significant costs increases in officer training school, undergraduate pilot/navigator training, unit conversion training, and initial skills acquisition training. According to Navy budget officials, resources have been prioritized to provide maximum support to the active forces.

- Special training. The Air Force's costs in fiscal year 1997 are projected to be over seven times higher than the Army's and the Navy's and almost five times higher than the Marine Corps'. The Air Force was the only service to project a cost increase between fiscal years 1990 and 1997, which amounts to 12 percent per person. The other services have projected decreases ranging from the Navy's 28 percent to the Army's 44 percent. Army budget officials stated that budget constraints required a decrease in the special training category, including tours of duty in support of exercises, operational training, command and staff support, and recruiting and retention support.
- Junior ROTC. All services estimate higher costs of between two to four times the fiscal year 1990 level. The Air Force had the highest costs in fiscal year 1990, and it is projected to have the highest costs in fiscal year 1997, about 46 percent higher than the Navy and over 100 percent higher than the Army and the Marine Corps. Army budget officials stated that under congressional direction, the number of units rose from 865 to 1,380 since fiscal year 1990, and the number of students increased from about 130,700 to about 206,100. Air Force officials stated that Air Force costs rose due to (1) an increase in the number of students from about 45,000 in fiscal year 1990 to about 81,000 projected for fiscal year 1997, (2) a near doubling in the number of detachments to over 600, and (3) cadets' travel to Air Force locations. Navy officials said that the Navy's program also has expanded, with the number of students increasing from about 29,500 to a projected 55,500 and that the annual inflation applied to uniform costs totaled over 17 percent. Marine Corps units are projected to increase from 80 to almost 175.
- Health Professions Scholarships. Although the Air Force had the highest costs per person in fiscal year 1990, and they are projected to remain the highest in fiscal year 1997, the Navy's costs are projected to more than double. Navy budget officials explained that the program has expanded and that such programmatic increases, along with over a 20-percent increase in annual pay raises provided in student stipends, resulted in the projected cost increase. The Army and the Air Force estimate increases of 24 and 22 percent, respectively. For fiscal year 1997, Air Force costs are projected to be about 32 percent higher than the Navy's and over three times higher than the Army's. Army budget officials stated that the number

of students in the program decreased by 110, but stipend, clothing, pay, and travel rates increased. According to Air Force officials, the number of Air Force students might be higher than other services, and the addition of a financial assistance program grant in fiscal year 1991 contributed to higher costs.

- Branch Officers Basic Course. Army costs are projected to decrease by 90 percent because budget constraints have required limiting the course to those who have a relevant unit of assignment, according to Army budget officials. Army officials explained that formerly, all newly commissioned officers attended the course regardless of their future participation in the Army Reserve (e.g., nonscholarship officers without a follow-on unit and officers entering branches that were not in the Army Reserve).
- Chaplain candidates. Army costs are projected to increase by about 67 percent. Army budget officials explained that the estimated number of chaplains has increased by 32 percent since fiscal year 1990. Further, the average number of days that chaplain candidates serve on active duty for training has increased to meet new training requirements, and the training often takes place in high-cost areas.
- Reimbursable costs. Costs are projected to decrease in all services except the Navy, which had virtually no costs in fiscal year 1990 but about three to four times the cost of the other services in fiscal year 1997. According to Navy budget officials, the costs resulted from transferring about 1,500 reservists into the Defense Business Operations Fund system, which is scheduled to end in fiscal year 1998.
- Total per person costs. The Navy has the highest and the Marine Corps the lowest per person costs. Total per person costs are projected to increase for all the services, with the Navy having the largest increase since fiscal year 1990, about 12 percent, and the Marine Corps having the smallest, about 3 percent. The Navy's personnel costs, at about \$13,900 per servicemember, are projected to be about 35 percent more than the Air Force's, which is next highest, about 54 percent more than the Army's, and about 56 percent more than the Marine Corps'. Army budget officials stated that different decisions have been made for each category based on the number of its population, criticality of the population to the mission, and availability of funds. Additionally, each category has its own set of "cost drivers." One major reason for the overall increase is separation benefits, which did not exist in fiscal year 1990 but represent over 2 percent of the fiscal year 1997 budget. Air Force budget officials explained that fluctuations in military personnel costs are expected due to officer/enlisted mix changes, grade structure changes, and changes in training requirements driven by weapon system and support changes. According to Navy officials, the Naval Reserve is a more senior force than

the Army and the Marine Corps Reserves, and there is a large disparity with the Air Force in terms of full-time support personnel levels and funding. Consequently, the Naval Reserve has a higher overall cost.

Per Person Costs for Basic Pay and Allowances Differ

Basic pay and four allowances imbedded within reserve and National Guard budget categories comprise about 82 percent of the National Guard's military personnel budget and about 80 percent of the reserve's budget. The National Guard's and the reserve's costs for basic pay, retired pay accrual, basic allowances for quarters, variable housing allowance, travel, and other costs for fiscal years 1990 and 1997 are shown in tables 6 and 7.

Table 6: Per Person National Guard Personnel Costs by Service and Budget Category

Budget category	Fiscal year	Army National Guard	Air National Guard
Basic pay	1990	\$5,244	\$6,620
	1997	5,105	7,098
Retired pay accrual	1990	1,158	1,456
	1997	919	1,274
Basic allowances for quarters	1990	646	727
	1997	584	857
Variable housing allowance	1990	74	112
	1997	92	175
Travel	1990	393	563
	1997	209	488
Other	1990	1,307	1,557
	1997	1,574	1,783
Total	1990	\$8,822	\$11,035
	1997	\$8,483	\$11,675

Note: Totals may not add due to rounding.

Source: Our analysis based on services' budget estimates.

Table 6 shows the following for each category.

- **Basic pay.** The Army's costs per person are projected to decrease by about 3 percent, while Air Force costs are projected to increase by 7 percent. The Air Force's estimate is about 39 percent higher than the Army's for fiscal year 1997, compared to 26 percent higher in fiscal year 1990.

According to Air Force budget officials, a 1,500-person increase in the number of full-time personnel since fiscal year 1990 accounts for the cost increase.

- Retired pay accrual. The Army estimates a decrease of about 21 percent from fiscal years 1990 to 1997, and the Air Force estimates a decrease of about 13 percent. The Air Force's costs were about 26 percent higher than the Army's in fiscal year 1990, and they are projected to be about 39 percent higher for fiscal year 1997. Air Force budget officials said that the cost increase stems from the increased number of full-time personnel.
- Basic allowances for quarters. The Army projects a 10-percent decrease for fiscal year 1997, but the Air Force projects an 18-percent increase. The Air Force's estimate is about 47 percent higher than the Army's for fiscal year 1997. Air Force budget officials stated that increased costs are related to an increase in full-time Air National Guard personnel as a percentage of the total force.
- Variable housing allowance. Both services project increases for fiscal year 1997, the Army by 23 percent and the Air Force by 56 percent. The Air Force's estimate for fiscal year 1997 is 90 percent higher than the Army's, compared to fiscal year 1990 when the Air Force's costs were 51 percent higher. Army budget officials stated that the proportion of officers to enlisted personnel entitled to the allowance has increased, as well as the average grade of the officers, thereby resulting in increased costs. Air Force budget officials stated that increased costs are related to an increase in Air National Guard full-time personnel as a percentage of the total force.
- Travel. Both services project decreases for fiscal year 1997, the Army by 47 percent and the Air Force by 13 percent. The Air Force's estimated costs per person are over twice the Army's. Army budget officials stated that costs are projected to decrease as a result of congressional intent, DOD directive, and the force reduction. According to Air Force budget officials, travel costs are related to training requirements and pilot training and exercises require travel costs.
- Other. Remaining costs are projected to increase by about 21 percent for the Army and about 15 percent for the Air Force.

Table 7: Per Person Reserve Personnel Costs by Service and Budget Category

Budget category	Fiscal year	Army	Air Force	Navy	Marine Corps
Basic pay	1990	\$4,880	\$5,754	\$6,779	\$4,923
	1997	5,238	5,946	7,528	5,281
Retired pay accrual	1990	1,014	848	1,846	1,002
	1997	874	639	1,621	849
Basic allowances for quarters	1990	403	370	735	464
	1997	366	485	909	564
Variable housing allowance	1990	61	12	216	105
	1997	78	20	266	94
Travel	1990	641	1,093	1,107	707
	1997	434	1,285	1,200	595
Other	1990	1,501	1,501	1,727	1,461
	1997	2,039	1,911	2,360	1,506
Total	1990	\$8,499	\$9,578	\$12,409	\$8,664
	1997	\$9,030	\$10,285	\$13,884	\$8,887

Note: Totals may not add due to rounding.

Source: Our analysis based on services' budget estimates.

Table 7 shows the following for each category.

- **Basic pay.** Projected increases per person range from 3 percent for the Air Force to 11 percent for the Navy. The Navy's estimate is about (1) 27 percent more than the Air Force's, which is next highest; (2) 43 percent higher than the Marine Corps'; and (3) about 44 percent higher than the Army's, which is projected to have the lowest. The Navy also had the highest cost in fiscal year 1990. Navy budget officials explained that the difference in per person costs among the services is due to their respective grade mixes and numbers and types of full-time support personnel. Specifically, the Naval Reserve is predominantly grade E-5 and above, and full-time support personnel, in particular, are above E-4 and O-3. Civilian support is minimal in the Naval Reserve but is prevalent in the Air Force Reserve as full-time technicians (who are also reservists). Such civilian support is funded from operation and maintenance accounts rather than military personnel accounts. Consequently, cost comparisons among the services are rendered difficult because the personnel requirements and sources are so different.
- **Retired pay accrual.** The services' estimated decreases range from 12 percent for the Navy to 25 percent for the Air Force. The Navy's per

person costs are projected to be 85 percent higher than the Army's, 91 percent higher than the Marine Corps', and about 154 percent higher than the Air Force's. The Navy also had the highest cost in fiscal year 1990. Navy budget officials stated that the Naval Reserve has large numbers of higher-graded career personnel who require larger retired pay accruals than do the more junior personnel in the Army and the Marine Corps. Also, many full-time support personnel in the Air Force are civilian; thus, they are not paid through the military personnel account and do not require the accrual.

- Basic allowances for quarters. Only the Army estimates a decrease (9 percent). The other services project increases of 22 to 31 percent. The Navy is projected to have the highest per person cost in fiscal year 1997, which is 61 to 148 percent higher than the other services' estimates. The Navy also had the highest cost in fiscal year 1990. Air Force budget officials stated that the percentage of personnel in different training categories and the officer/enlisted grade mix and grade structure affect costs. Further, the Air Force may have a higher percentage of officers as well as a higher grade structure compared to the other services. Marine Corps budget officials stated that costs have been affected by an increased number of active reserves, the grade structure, and pay increases.
- Variable housing allowance. The Marine Corps is projected to have about an 11-percent decrease between fiscal years 1990 and 1997, but the other services project increases of 23 percent for the Navy, 28 percent for the Army, and 71 percent for the Air Force. Although the Air Force is estimated to have the largest percentage increase, it has the least cost per person of the four services. Specifically, the Navy's costs are projected to be 13 times higher than the Air Force's, over 3 times higher than the Army's, and over twice as high as the Marine Corps'. Army budget officials stated that the number of personnel qualified to receive the allowance has increased. Air Force officials stated that total variable housing costs are relatively low (\$1 million in fiscal year 1990 and \$1.5 million projected for fiscal year 1997) and that small dollar changes can reflect large percentage changes. According to Navy officials, the Naval Reserve's costs are attributable to rate increases and a more senior force, particularly full-time support personnel. They added that Army and Marine Corps support personnel are more junior and more likely to have government quarters available and that many Air Force support personnel are civilian.
- Travel. The Air Force and the Navy are projected to have higher costs in fiscal year 1997. The Air Force, with about an 8-percent increase, and the Navy, with an 8-percent increase, are estimated to have twice the cost of the next highest—the Marine Corps—and almost three times the cost of the Army. The Army's and the Marine Corps' budgets project decreases of

32 and 16 percent, respectively. Air Force officials stated that changes in travel costs are most likely due to a change in the location for school and special training. The Navy is projecting an increase because of a growing role in contributory support to the active component. According to the budget officials, as the reserve with its more senior force has increasingly participated in exercises, contingencies, and contributory support, travel outside the continental United States has risen proportionally. Such travel increased over threefold between fiscal years 1993 and 1996. Also, active naval units worldwide have reserve personnel on annual training and special training throughout the year. Consequently, Naval Reserve costs are two to three times higher than the other services.

- Other. Remaining personnel costs are projected to increase. The Army's, the Air Force's, and the Navy's costs are projected to rise between 27 and 37 percent, but the Marine Corps' increase is slight.

Some Components' Budget Categories Are Disproportionate With Personnel Levels

In a number of categories, the services' budgets do not reflect their respective shares of personnel levels. For example, the Naval Reserve has 45 percent of the \$1.7 billion estimated fiscal year 1997 budget for administration and support, but its share of the personnel level is under 23 percent. However, the Navy plans to allocate only 37 percent of its budget to unit and individual training, while the other services plan to allocate between 50 and 60 percent of their budgets for training. In contrast, the Air Force's budget comprises less than 4 percent, and the Marine Corps budgets less than 7 percent, of the total administration and support budget.

The Air Force Reserve, with 17 percent of the reserve personnel, projects that it will spend 59 percent of the \$206 million special training category in fiscal year 1997. Special training includes activities such as command and staff supervision, competitive events, exercises, management support, operational training, and service and mission support. Similarly, the Air National Guard projects a 77-percent share of the \$83 million special training category in fiscal year 1997, although the Army National Guard has 77 percent of the personnel level. And, the Army National Guard projects over a 90-percent share of the \$43 million education benefits category.

There are also differences among the services in the pay, allowances, and travel categories. With about 23 percent of the fiscal year 1997 reserve personnel level, the Naval Reserve has an estimated 54-percent share of the variable housing budget, about a 35-percent share of the travel budget,

a 39-percent share of the basic allowances for quarters, a 37-percent share of the retired pay accrual, and a 29-percent share of basic pay.

The Air National Guard has a disproportionate share of the total National Guard budget for pay, allowances, and travel projected for fiscal year 1997. With 23 percent of the personnel level, the Air National Guard comprises about 41 percent of the travel category, about 36 percent of the variable housing allowance, 30 percent of basic allowances for quarters, and about 29 percent of basic pay and retired pay accrual.

Agency Comments

We have incorporated informal comments on a draft of this report from DOD, National Guard, and reserve officials, where appropriate.

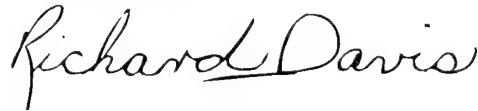
Scope and Methodology

To identify budget trends and differences in costs among the services, we analyzed each service's annual military personnel budget estimate submission to the Congress. For fiscal years 1990 through 1995, we used actual costs. For fiscal years 1996 and 1997, we used estimated costs. We adjusted the nominal dollars to constant fiscal year 1996 dollars using 1996 DOD inflation factors for military personnel costs. We did not analyze or verify the services' assumptions supporting the estimates, nor did we verify the accuracy of the data presented in their budget estimate submissions. We asked National Guard and reserve officials to explain some of the trends and differences among the services and incorporated the explanations that we considered relevant. We did not verify the services' explanations. We conducted our work from October 1995 to July 1996 in accordance with generally accepted government auditing standards.

We are providing copies of this report to appropriate congressional committees; the Secretaries of Defense, the Air Force, the Army, and the Navy; the National Guard Directors; the Reserve Chiefs; and the Director, Office of Management and Budget. We will also provide copies to other interested parties upon request.

If you have any questions concerning this report, please call me on (202) 512-3504. Major contributors to this report were Robert Pelletier and Richard McGeary.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard Davis". The signature is written in dark ink and is positioned below the "Sincerely yours," text.

Richard Davis
Director, National Security
Analysis

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Abbreviations

DOD	Department of Defense
ROTC	Reserve Officers' Training Corps

Reserve Component Military Personnel Budget Categories

The following budget categories apply to all services, except where parentheses specify the applicable services. National Guard budget categories are similar to the Army and the Air Force Reserve budget categories, but exclude Reserve Officers' Training Corps (ROTC), Junior ROTC, Health Professions Scholarship Program, Chaplain Candidates, and Branch Officers Basic Course.

Unit and individual training

- Pay group A (assigned to reserve unit for annual training and inactive duty training)
 - active duty training/annual training
 - inactive duty training
 - subsistence
 - clothing
 - travel
- Pay group F (initial active duty training for non-prior service enlistees)
 - pay and allowances/active duty training
 - clothing
 - subsistence
 - travel
- Pay group P (inactive duty for training while awaiting initial active duty for training) (Army, Navy, and Marine Corps)
 - inactive duty training
 - clothing (Marine Corps)
 - subsistence
- Pay group B (inactive duty training and annual training for individual mobilization augmentees)
 - annual training/active duty training
 - inactive duty training (Army and Air Force)
 - subsistence
 - clothing (Navy, Air Force, and Marine Corps)
 - travel

Administration and support

- Active duty pay and allowances
- Subsistence (Army and Navy)
- Individual uniform gratuities/clothing (Army, Air Force, and Marine Corps)
- Continental United States cost-of-living allowance (Army and Navy)
- Travel
- Child adoption expenses (Army and Navy)

- Separation/transition benefits
- Death gratuities
- Disability/hospitalization
- Reserve incentives
- Health profession stipend (Air Force)
- Naval ROTC nuclear bonus (Navy)
- Active duty for special work (Navy)

Education benefits

- Amortization payment/benefits accrual
- Officer/enlisted (Army)
- Reenlistment (Army)

Senior ROTC (Army, Navy, and Air Force)

- Nonscholarship program
 - subsistence
 - travel
 - uniforms issue-in-kind
 - uniforms (commutation)
 - summer camp training (pay and allowances)
- Scholarship program
 - subsistence
 - travel
 - uniforms issue-in-kind
 - uniforms/commutation
 - summer camp training/pay and allowances

Platoon leaders class (Marine Corps)

- Uniforms issue-in-kind
- Summer camp training
- Subsistence allowance, subsidy
- Subsistence of enlisted personnel
- Travel

Other training and support

- Mobilization training
 - operational training/readiness training (Army and Air Force)
 - exercises (Army)

Appendix I
Reserve Component Military Personnel
Budget Categories

- service mission/mission support (Army and Air Force)
- career development/career enhancement (Army and Air Force)
- management support (Army)
- individual ready reserve screening/muster/training (Army, Navy, and Air Force)
- competitive events (Army)
- health profession training (Air Force)
- annual training/active duty training (Navy and Marine Corps)
- clothing (Navy)
- subsistence of enlisted personnel (Navy and Marine Corps)
- travel (Navy and Marine Corps)
- merchant marine training (Navy)
- School training
 - career development
 - initial skill acquisition
 - officer candidate school/officer training school (Army and Air Force)
 - prior service training (Army)
 - refresher/proficiency
 - undergraduate pilot/navigator (Army and Air Force)
 - recruiter (Air Force)
 - unit conversion (Navy, Air Force, and Marine Corps)
 - continuing medical education (Navy)
 - individual ready reserve training (Marine Corps)
- Special training
 - command/staff support or supervision (Army, Air Force, and Marine Corps)
 - competitive events
 - exercises
 - management support
 - operational training
 - recruiting
 - service mission/mission support
 - retention
 - environmental compliance (Army)
 - unit conversion (Navy and Air Force)
 - drug interdiction activity (Air Force)
 - conferences and visits (Navy)
 - additional/extended active duty training (Navy)
- Branch officers basic course (Army)
 - active duty training
 - uniform allowance
 - travel

Appendix I
Reserve Component Military Personnel
Budget Categories

- Health professions scholarship program (Army, Navy, and Air Force)
 - pay and allowances/active duty training
 - initial clothing allowance/uniform allowance
 - additional clothing allowance
 - stipend
 - travel
 - financial assistance program pay and allowances
 - financial assistance program stipend
 - financial assistance program travel
 - nurse candidate bonus (Navy)
- Junior ROTC
 - uniforms, issue-in-kind
 - subsistence (Army)
 - transportation/billeting, travel (Army and Air Force)
- Chaplain candidate program (Army)
 - pay and allowances
 - uniform allowance
 - travel

Servives' Share of National Guard Personnel Budget, Fiscal Years 1990-97

Dollars and personnel in millions and shares in percent

		Fiscal year							
Budget Category	Service	1990		1991		1992		1993	
		Share	Amount	Share	Amount	Share	Amount	Share	Amount
Unit/individual training	Army	76.5	\$2,129	75.4	\$1,886	75.1	\$1,924	74.1	\$1,780
	Air Force	23.5	654	24.6	617	24.9	639	25.9	624
	Total	100.0	\$2,783	100.0	\$2,503	100.0	\$2,563	100.0	\$2,403
Administration and support	Army	76.2	\$1,418	75.0	\$1,366	75.1	\$1,425	74.7	\$1,395
	Air Force	23.8	442	25.0	455	24.9	472	25.3	473
	Total	100.0	\$1,860	100.0	\$1,821	100.0	\$1,896	100.0	\$1,869
Education benefits	Army	70.7	\$34	74.9	\$36	0.0	\$0	0.0	\$0
	Air Force	29.3	14	25.1	12	100.0	7	100.0	2
	Total	100.0	\$48	100.0	\$48	100.0	\$7	100.0	\$2
School training	Army	73.5	\$225	72.6	\$243	67.9	\$229	71.3	\$208
	Air Force	26.5	81	27.4	92	32.1	108	28.7	84
	Total	100.0	\$307	100.0	\$335	100.0	\$337	100.0	\$292
Special training	Army	65.1	\$178	72.0	\$250	70.0	\$233	66.4	\$243
	Air Force	34.9	95	28.0	97	30.0	100	33.6	123
	Total	100.0	\$273	100.0	\$348	100.0	\$333	100.0	\$365
Total direct program			\$5,272		\$5,054		\$5,137		\$4,932
Reimbursable costs	Army	67.9	\$7	55.3	\$7	61.3	\$6	60.0	\$6
	Air Force	32.1	3	44.7	5	38.7	4	40.0	4
	Total	100.0	\$10	100.0	\$12	100.0	\$10	100.0	\$10
Total obligations	Army	75.6	\$3,992	74.8	\$3,788	74.2	\$3,817	73.5	\$3,633
	Air Force	24.4	1,290	25.2	1,278	25.8	1,330	26.5	1,309
	Total	100.0	\$5,282	100.0	\$5,066	100.0	\$5,147	100.0	\$4,942

**Appendix II
Services' Share of National Guard Personnel
Budget, Fiscal Years 1990-97**

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Amount	Share	Amount	Share	Amount	Share	Amount	Change	Percent
74.5	\$1,815	74.3	\$1,741	74.1	\$1,682	74.4	\$1,655	(\$475)	-22.3
25.5	621	25.7	601	25.9	589	25.6	570	(84)	-12.8
100.0	\$2,436	100.0	\$2,343	100.0	\$2,270	100.0	\$2,225	(\$558)	-20.1
73.9	\$1,423	73.3	\$1,413	72.6	\$1,379	72.3	\$1,390	(\$28)	-2.0
26.1	502	26.7	515	27.4	520	27.7	532	89	20.2
100.0	\$1,925	100.0	\$1,927	100.0	\$1,899	100.0	\$1,921	\$61	3.3
92.0	\$13	90.4	\$16	89.3	\$33	91.2	\$39	\$5	15.6
8.0	1	9.6	2	10.7	4	8.8	4	(10)	-73.2
100.0	\$14	100.0	\$18	100.0	\$37	100.0	\$43	(\$5)	-10.4
68.5	\$179	66.4	\$168	59.7	\$118	37.3	\$47	(\$178)	-79.1
31.5	82	33.6	85	40.3	80	62.7	79	(2)	-2.6
100.0	\$261	100.0	\$253	100.0	\$197	100.0	\$126	(\$180)	-58.8
64.3	\$193	65.1	\$195	32.0	\$32	23.2	\$19	(\$159)	-89.2
35.7	107	34.9	104	68.0	68	76.8	63	(32)	-33.4
100.0	\$300	100.0	\$299	100.0	\$99	100.0	\$83	(\$191)	-69.8
\$4,936		\$4,839		\$4,502		\$4,398		(\$874)	-16.6
46.7	\$6	41.3	\$6	30.0	\$6	18.2	\$6	(\$1)	-19.7
53.3	7	58.7	8	70.0	13	81.8	25	22	661.6
100.0	\$13	100.0	\$14	100.0	\$19	100.0	\$30	\$20	199.3
73.3	\$3,629	72.9	\$3,539	71.8	\$3,248	71.3	\$3,156	(\$836)	-20.9
26.7	1,320	27.1	1,315	28.2	1,273	28.7	1,273	(17)	-1.4
100.0	\$4,949	100.0	\$4,853	100.0	\$4,521	100.0	\$4,428	(\$853)	-16.2

Note: Some columns do not add because of rounding.

Appendix II
Services' Share of National Guard Personnel
Budget, Fiscal Years 1990-97

Dollars and personnel in millions and shares in percent

Personnel level	Service	Fiscal year							
		1990		1991		1992		1993	
		Share	Personnel	Share	Personnel	Share	Personnel	Share	Personnel
End strength	Army	78.9	0.4370	79.0	0.4413	78.1	0.4258	77.8	0.4099
	Air Force	21.1	0.1170	21.0	0.1176	21.9	0.1191	22.2	0.1172
	Total	100.0	0.5540	100.0	0.5589	100.0	0.5449	100.0	0.5271
Average strength	Army	79.5	0.4525	79.1	0.4440	78.7	0.4373	77.7	0.4116
	Air	20.5	0.1169	20.9	0.1170	21.3	0.1182	22.3	0.1179
	Total	100.0	0.5694	100.0	0.5610	100.0	0.5555	100.0	0.5295

Appendix II
 Services' Share of National Guard Personnel
 Budget, Fiscal Years 1990-97

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Personnel	Share	Personnel	Share	Personnel	Share	Personnel	Change	Percent
77.7	0.3969	77.3	0.3749	76.8	0.3730	77.3	0.3668	(0.0702)	-16.1
22.3	0.1136	22.7	0.1098	23.2	0.1127	22.7	0.1080	(0.0090)	-7.7
100.0	0.5105	100.0	0.4847	100.0	0.4857	100.0	0.4748	(0.0792)	-14.3
77.9	0.4040	77.6	0.3851	77.2	0.3741	77.3	0.3720	(0.0805)	-17.8
22.1	0.1149	22.4	0.1114	22.8	0.1104	22.7	0.1090	(0.0079)	-6.8
100.0	0.5189	100.0	0.4965	100.0	0.4845	100.0	0.4810	(0.0884)	-15.5

Note: Some columns do not add because of rounding.

Servives' Share of Reserve Personnel Budget, Fiscal Years 1990-97

Dollars and personnel in millions and shares in percent

Budget Category	Service	Fiscal year							
		1990		1991		1992		1993	
		Share	Amount	Share	Amount	Share	Amount	Share	Amount
Unit/individual training	Army	47.2	\$1,406	47.4	\$1,222	48.0	\$1,364	47.7	\$1,259
	Navy	27.6	822	29.2	753	26.8	763	26.5	700
	Air Force	17.3	515	16.6	428	17.4	495	17.9	474
	Marines	7.9	234	6.8	175	7.8	222	7.8	206
	Total	100.0	\$2,977	100.0	\$2,578	100.0	\$2,843	100.0	\$2,639
Administration and support	Army	41.2	\$777	40.4	\$781	39.7	\$795	40.3	\$760
	Navy	50.9	960	51.2	991	52.1	1,042	51.2	966
	Air Force	2.7	52	2.9	56	2.9	57	2.9	55
	Marines	5.2	98	5.5	107	5.4	108	5.5	105
	Total	100.0	\$1,887	100.0	\$1,935	100.0	\$2,002	100.0	\$1,886
Education benefits	Army	47.8	\$26	48.2	\$22	66.8	\$29	47.3	\$15
	Navy	19.1	11	10.3	5	9.7	4	16.3	5
	Air Force	21.5	12	24.2	11	3.1	1	4.1	1
	Marines	11.6	6	17.3	8	20.4	9	32.3	10
	Total	100.0	\$55	100.0	\$45	100.0	\$44	100.0	\$32
Senior ROTC/Platoon leader	Army	54.6	\$54	53.6	\$41	53.3	\$37	53.7	\$35
	Navy	20.6	20	23.3	18	21.6	15	19.4	13
	Air Force	18.8	19	17.6	14	17.7	12	18.7	12
	Marines	6.0	6	5.6	4	7.4	5	8.1	5
	Total	100.0	\$98	100.0	\$77	100.0	\$70	100.0	\$65
Mobilization training	Army	76.8	\$44	80.2	\$46	63.7	\$28	58.3	\$23
	Navy	12.6	7	14.3	8	19.4	9	19.3	8
	Air Force	3.8	2	0.6	0	3.3	1	9.6	4
	Marines	6.8	4	4.9	3	13.6	6	12.8	5
	Total	100.0	\$57	100.0	\$57	100.0	\$45	100.0	\$40

**Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97**

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Amount	Share	Amount	Share	Amount	Share	Amount	Change	Percent
46.6	\$1,179	48.0	\$1,108	47.2	\$1,066	46.4	\$1,007	(\$398)	-28.3
26.1	661	22.7	523	23.1	522	23.1	503	(319)	-38.8
19.3	487	20.7	477	20.6	465	20.6	449	(67)	-12.9
7.9	201	8.6	198	9.2	207	9.9	215	(19)	-8.2
100.0	\$2,528	100.0	\$2,307	100.0	\$2,259	100.0	\$2,173	(\$803)	-27.0
42.5	\$797	44.5	\$795	45.9	\$801	44.1	\$745	(\$32)	-4.2
49.0	919	46.3	829	44.3	774	45.2	764	(196)	-20.4
3.0	56	3.2	58	3.5	61	3.8	64	13	24.5
5.5	104	5.9	106	6.3	111	6.8	115	17	17.3
100.0	\$1,875	100.0	\$1,788	100.0	\$1,748	100.0	\$1,688	(\$199)	-10.5
44.2	\$11	55.7	\$20	57.5	\$28	54.3	\$25	(\$1)	-4.2
18.6	5	13.2	5	11.8	6	14.8	7	(4)	-34.4
12.6	3	7.2	3	10.2	5	9.8	5	(7)	-61.5
24.7	6	23.9	9	20.5	10	21.1	10	3	53.1
100.0	\$24	100.0	\$36	100.0	\$48	100.0	\$47	(\$9)	-15.6
56.1	\$35	52.9	\$36	54.1	\$43	55.6	\$46	(\$7)	-13.3
16.7	11	14.0	10	15.6	12	14.4	12	(8)	-40.4
20.2	13	26.2	18	24.5	19	24.1	20	2	8.7
7.0	4	6.8	5	5.8	5	5.8	5	(1)	-18.0
100.0	\$63	100.0	\$68	100.0	\$79	100.0	\$83	(\$15)	-15.0
68.6	\$25	78.5	\$29	54.4	\$9	49.1	\$8	(\$36)	-82.0
12.9	5	7.3	3	16.3	3	15.2	2	(5)	-66.0
6.0	2	7.5	3	12.5	2	19.4	3	1	42.8
12.6	5	6.7	2	16.9	3	16.4	3	(1)	-32.2
100.0	\$37	100.0	\$37	100.0	\$16	100.0	\$16	(\$41)	-71.8

(continued)

**Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97**

Dollars and personnel in millions and shares in percent

		Fiscal year							
Budget Category	Service	1990		1991		1992		1993	
		Share	Amount	Share	Amount	Share	Amount	Share	Amount
School training	Army	62.2	\$127	65.0	\$137	56.6	\$114	54.6	\$94
	Navy	6.5	13	6.5	14	6.2	13	6.3	11
	Air Force	26.7	54	24.7	52	32.5	66	33.8	58
	Marines	4.7	10	3.8	8	4.6	9	5.3	9
	Total	100.0	\$204	100.0	\$211	100.0	\$202	100.0	\$172
Special training	Army	39.2	\$123	46.8	\$157	37.8	\$139	30	\$90
	Navy	15.1	48	14.3	48	13.3	49	17.3	52
	Air Force	38.9	123	31.7	107	41.6	153	45.0	135
	Marines	6.8	21	7.2	24	7.3	27	7.7	23
	Total	100.0	\$315	100.0	\$336	100.0	\$368	100.0	\$299
Junior ROTC	Army	40.6	\$7	43.0	\$8	47.7	\$12	35.0	\$13
	Navy	24.1	4	22.8	4	21.3	5	30.5	12
	Air Force	26.3	4	24.1	4	23.6	6	26.3	10
	Marines	9.0	1	10.1	2	7.4	2	8.1	3
	Total	100.0	\$16	100.0	\$18	100.	\$24	100.0	\$38
Health professions scholarship program	Army	35.7	\$20	37.9	\$24	35.3	\$22	30.9	\$18
	Navy	29.3	17	29.9	19	32.7	20	31.9	19
	Air Force	35.0	20	32.2	20	32.0	20	37.2	22
	Total	100.0	\$57	100.0	\$62	100.0	\$62	100.0	\$60
Branch officers basic course	Army	100.0	\$74	100.0	\$83	100.0	\$59	100.0	\$42
Chaplain candidates	Army	100.0	\$2	100.0	\$2	100.0	\$2	100.0	\$2
Total direct program			\$5,742		\$5,405		\$5,722		\$5,275
Reimbursable costs	Army	70.6	\$7	66.3	\$6	69.9	\$7	66.7	\$7
	Navy	2.4	0	6.3	1	7.2	1	3.2	0
	Air Force	18.8	2	18.8	2	14.5	1	22.6	2
	Marines	8.2	1	8.8	1	8.4	1	7.5	1
	Total	100.0	\$10	100.0	\$9	100.0	\$9	100.0	\$10

**Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97**

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Amount	Share	Amount	Share	Amount	Share	Amount	Change	Percent
42.0	\$65	45.8	\$71	51.6	\$86	47.5	\$65	(\$61)	-48.5
4.7	7	4.3	7	3.8	6	4.2	6	(7)	-55.8
48.0	74	42.9	66	37.7	63	43.9	60	6	10.9
5.3	8	7.0	11	7.0	12	4.4	6	(4)	-37.0
100.0	\$155	100.0	\$155	100.0	\$167	100.0	\$137	(\$66)	-32.6
25.1	\$77	35.8	\$115	21.4	\$51	23.7	\$49	(\$75)	-60.4
12.8	39	12.4	40	10.3	25	10.6	22	(26)	-54.1
51.9	158	43.6	140	57.3	136	58.8	121	(2)	-1.5
10.1	31	8.3	27	10.9	26	6.8	14	(7)	-33.8
100.0	\$305	100.0	\$321	100.0	\$238	100.0	\$206	(\$109)	-34.7
47.3	\$18	42.1	\$17	32.6	\$13	37.7	\$14	\$8	118.7
20.1	8	30.6	13	27.7	11	25.9	10	6	153.5
25.3	10	19.0	8	27.2	11	28.5	11	7	154.7
7.3	3	8.3	3	12.6	5	7.9	3	2	107.5
100.0	\$39	100.0	\$41	100.0	\$41	100.0	\$38	\$22	135.5
29.7	\$18	29.4	\$18	28.9	\$18	29.3	\$18	(\$3)	-13.0
32.9	20	34.9	21	34.8	21	35.4	21	5	28.1
37.5	22	35.6	22	36.3	22	35.3	21	1	6.6
100.0	\$60	100.0	\$61	100.0	\$62	100.0	\$60	\$3	5.9
100.0	\$31	100.0	\$18	100.0	\$6	100.0	\$5	(\$69)	-93.1
100.0	\$2	100.0	\$2	100.0	\$2	100.0	\$2	\$0	20.5
\$5,118		\$4,833		\$4,665		\$4,456		(\$1,285)	-22.4
31.1	\$5	32.6	\$5	38.2	\$3	35.5	\$4	(\$3)	-47.8
55.4	9	58.3	9	47.2	4	51.8	6	5	2189.3
8.8	1	5.6	1	9.0	1	8.2	1	(1)	-54.8
4.7	1	3.5	1	5.6	1	4.5	0	0	-42.6
100.0	\$16	100.0	\$15	100.0	\$9	100.0	\$11	\$0	4.0

(continued)

Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97

Dollars and personnel in millions and shares in percent

Budget Category	Service	Fiscal year							
		1990		1991		1992		1993	
		Share	Amount	Share	Amount	Share	Amount	Share	Amount
Total obligations	Army	46.4	\$2,667	46.7	\$2,529	45.5	\$2,609	44.6	\$2,359
	Navy	33.1	1,901	34.4	1,860	33.5	1,921	33.8	1,785
	Air Force	14.0	803	12.8	694	14.2	813	14.6	773
	Marines	6.6	381	6.1	332	6.8	389	7.0	368
	Total	100.0	\$5,752	100.0	\$5,414	100.0	\$5,731	100.0	\$5,285

**Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97**

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Amount	Share	Amount	Share	Amount	Share	Amount	Change	Percent
44.1	\$2,262	46.1	\$2,234	45.5	\$2,126	44.5	\$1,989	(\$678)	-25.4
32.8	1,682	30.1	1,458	29.6	1,384	30.3	1,352	(549)	-28.9
16.1	827	16.4	795	16.8	785	16.9	755	(48)	-5.9
7.1	362	7.5	361	8.1	379	8.3	371	(11)	-2.8
100.0	\$5,133	100.0	\$4,848	100.0	\$4,674	100.0	\$4,467	(\$1,285)	-22.3

Note: Some columns do not add because of rounding.

Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97

Dollars and personnel in millions and shares in percent

Personnel level	Service	Fiscal year							
		1990		1991		1992		1993	
		Share	Personnel	Share	Personnel	Share	Personnel	Share	Personnel
End strength	Army	52.1	0.2991	51.8	0.2999	53.2	0.3027	52.0	0.2759
	Navy	26.0	0.1494	26.0	0.1505	25.0	0.1423	25.0	0.1324
	Air Force	14.1	0.0806	14.6	0.0843	14.4	0.0819	15.2	0.0806
	Marines	7.8	0.0445	7.6	0.0440	7.4	0.0422	7.9	0.0417
	Total	100.0	0.5736	100.0	0.5787	100.0	0.5691	100.0	0.5306
Average strength	Army	52.8	0.3138	53.1	0.3071	52.3	0.3066	52.9	0.2862
	Navy	25.8	0.1532	26.7	0.1545	26.3	0.1453	24.8	0.1340
	Air Force	14.1	0.0838	12.4	0.0719	14.0	0.0820	14.6	0.0792
	Marines	7.4	0.0440	7.8	0.0452	7.4	0.0434	7.7	0.0416
	Total	100.0	0.5948	100.0	0.5787	100.0	0.5773	100.0	0.5410

Appendix III
Services' Share of Reserve Personnel
Budget, Fiscal Years 1990-97

Fiscal year									
1994		1995		1996		1997		1990-97	
Share	Personnel	Share	Personnel	Share	Personnel	Share	Personnel	Change	Percent
53.3	0.2599	52.3	0.2413	51.7	0.2300	50.4	0.2150	(0.0841)	-28.1
22.1	0.1076	21.8	0.1006	22.2	0.0989	22.5	0.0959	(0.0535)	-35.8
16.3	0.0796	17.0	0.0783	16.6	0.0740	17.2	0.0733	(0.0073)	-9.1
8.3	0.0407	8.9	0.0409	9.5	0.0423	9.9	0.0420	(0.0025)	-5.6
100.0	0.4878	100.0	0.4611	100.0	0.4452	100.0	0.4262	(0.1474)	-25.7
52.2	0.2619	52.8	0.2481	51.8	0.2331	50.9	0.2203	(0.0935)	-29.8
24.1	0.1206	21.7	0.1022	22.2	0.0997	22.5	0.0974	(0.0558)	-36.4
15.5	0.0779	16.9	0.0777	16.9	0.0759	17.0	0.0734	(0.0104)	-12.4
8.2	0.0409	8.6	0.0402	9.2	0.0412	9.6	0.0417	(0.0023)	-5.2
100.0	0.5013	100.0	0.4682	100.0	0.4499	100.0	0.4328	(0.1620)	-27.2

Note: Some columns do not add because of rounding.